

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 10  
BERNE, INDIANA

January 1, 2003 to December 31, 2003





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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Mr. Gerald Coleman Ms. Mary DePrez	01-06-02 to 02-29-04 03-01-04 to 01-05-05
Branch Manager	Mrs. Connie Smuts	01-01-03 to 12-31-04



# STATE OF INDIANA

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 10 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 16, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 10  
BERNE, INDIANA  
SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS  
January 1, 2003 to December 31, 2003

	<u>Amount</u>
Collections:	
Registrations	\$ 969,842
Titles	226,046
Drivers Licenses	41,679
Watercraft	20,348
Miscellaneous	<u>140</u>
Total	<u><u>\$ 1,258,055</u></u>
Distributions:	
State Fees	\$ 556,214
County Tax	571,633
Commission Fees	<u>130,208</u>
Total	<u><u>\$ 1,258,055</u></u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 10  
BERNE, INDIANA  
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBER 10  
 BERNE, INDIANA  
 STATISTICAL INFORMATION  
 January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle Registrations:	
Passenger	5,345
Motorcycle	310
RV (Housecar)	127
Light Truck	2,730
Other Truck	86
Farm Truck	149
Tractor	41
Trailer	1,192
Semi-Trailer	166
School and Church Bus	18
Other	<u>28</u>
Total Vehicle Registrations	<u><u>10,192</u></u>
Drivers Licenses and Permits:	
Drivers Licenses/Learners Permits	1,856
CDL Licenses/CDL Permits	128
Placards	159
Other	<u>1,037</u>
Total Drivers Licenses and Permits	<u><u>3,180</u></u>
Titles:	
Vehicles	3,417
Watercraft	<u>40</u>
Total Titles	<u><u>3,457</u></u>
Total Watercraft Registrations	<u><u>327</u></u>



STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 10  
BERNE, INDIANA  
EXAMINATION RESULTS AND COMMENTS

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2003. The inventory was not taken in the proper order nor were the proper inventory forms used. On January 2, 2004, we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted that several additional items had not been included in the year end inventory. A similar comment was noted in prior Examination Report B21972.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 3, 2003, from the Audit Services Director)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2003. No evidence was found to indicate these items have been sold.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2007	Passenger	1B592
2007	Truck 26,000	692E to 698E

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 10  
BERNE, INDIANA  
EXIT CONFERENCE

The contents of this report were discussed on September 16, 2004, with Mrs. Connie Smuts, Branch Manager. The official concurred with our findings.